



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

DEC 20 2016

Carey Guilbeau
Hovensa Environmental Response Trust
Trust Representative & Technical Program Manager
1 Estate Hope
Christianstead, Virgin Islands 00820

Re: Approval of 2016 Budget of the HOVENSA Environmental Response Trust

Dear Ms. Guilbeau:

The United States Environmental Protection Agency – Region 2 (EPA) has received and reviewed the proposed 2016 budget submitted by the HOVENSA Environmental Response Trust (ERT) dated April 15, 2016, and re-submitted, with minor revisions, to EPA on October 31, 2016. The initial proposed budget was also sent to the United States Virgin Islands (VI) by letter dated April 15, 2016 and the revised budget by e-mail dated October 31, 2016, both to the attention of Commissioner Henry, Department of Planning and Natural Resources. The proposed 2016 budget covers the time period starting on February 17, 2016, the effective date of the ERT, through December 2016.

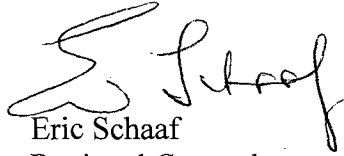
As you are aware, Section 7.13 of the Environmental Response Trust Agreement (Agreement) specifies which matters are subject to approval by EPA, the United States Department of Justice (DOJ) and/or the VI. The proposed budget contains a detailed table (Table 1) itemizing the expected expenditures and corresponding costs, as well as a column in which the ERT indicates which items require EPA, DOJ and/or VI approval. EPA believes that the ERT correctly identified the party(ies) required to approve each item identified in its proposed budget.

Certain budgeted items listed in Table 1 (line items 1-6, 8, 10(b), 12-24) are subject to EPA approval after consultation with the VI. See Section 7.13.1 of the Agreement.¹ On November 15, 2016, EPA sent a letter to the attention of Commissioner Henry, stating that EPA was prepared to approve each of the above-referenced line items pending its review of any comments that the VI may have on these budgetary items. The letter indicated that EPA would assume the VI had no comments if it did not receive a response within two weeks. EPA has not received any written or oral comments from the VI regarding these budgetary items, and therefore hereby approves the above referenced line items of the 2016 Budget.

¹ Line items 9, 26-29 and 31 listed in Table 1 are the administrative costs budgeted for 2016. These budgeted items are subject to approval by the United States Department of Justice (DOJ) and the Virgin Islands, see Section 7.13.5 of the Agreement, and are not therefore included in this approval.

If you have any questions, please do not hesitate to contact Flaire Mills of my staff at 212 637-3198.

Sincerely,



Eric Schaaf
Regional Counsel

cc: Dawn Henry, Commissioner VI DPNR